

Walgreens
ANNUAL REPORT, 1966

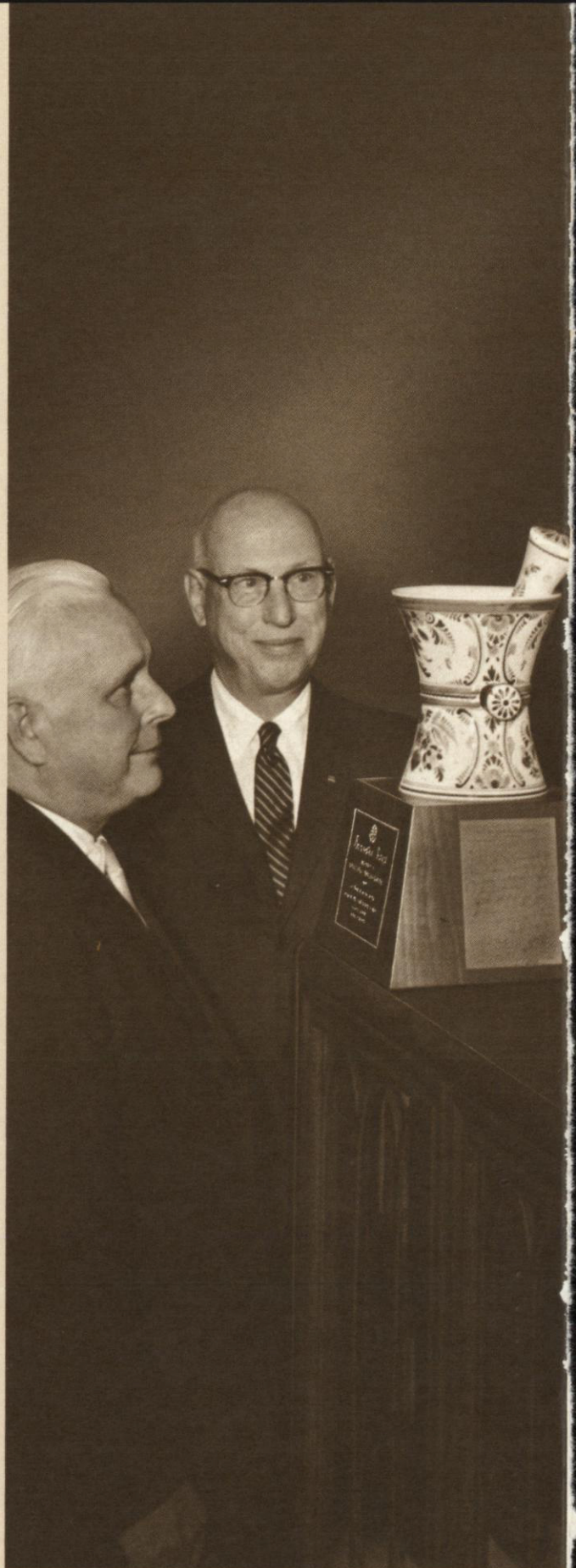
A. A. Borg, President (left) and
C. R. Walgreen, Jr., Chairman of the Board,
with Squibb Award honoring Walgreens as—

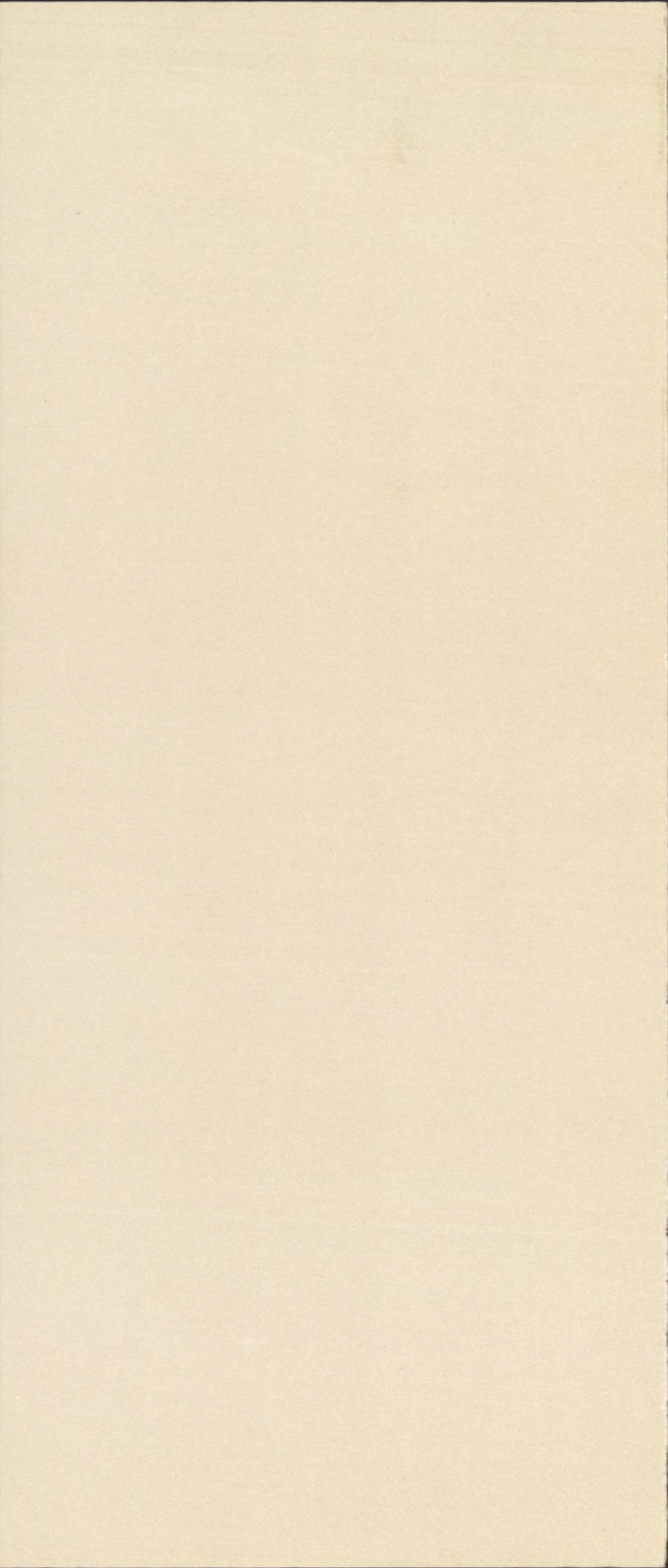
FIRST IN NATION TO FILL 150 MILLION PRESCRIPTIONS

Marking a first in pharmacy history, the E. R. Squibb Award was presented to Walgreen Drug Stores to commemorate the 150 millionth prescription filled since founding of our Company in 1901.

We are *proud* to be first in the nation to achieve so memorable a milestone; *humble* when that number is translated into lives saved, illnesses shortened, pain relieved, health restored. For it is then we truly realize the privilege and responsibility that is ours.

We pledge again to maintain the highest professional standards . . . to provide our pharmacy service to the public at low cost . . . to merit the trust of doctor and patient.





HIGHLIGHTS OF 1966:

	<u>1966</u>	<u>1965</u>	<u>%</u>
SALES.....	\$487,185,655	\$432,510,980	+12.6
EARNINGS before income taxes..	17,422,678	13,715,007	+27.0
NET EARNINGS.....	10,102,678	8,015,007	+26.0

Per Share of Common Stock:

NET EARNINGS.....	\$ 3.26	\$ 2.59
DIVIDENDS PAID.....	1.30	1.20
BOOK VALUE.....	23.07	21.11

Your December 12, 1966 dividend will mark our 136th consecutive quarterly dividend payment.

Walgreen Co. GENERAL OFFICES
4300 Peterson Avenue, Chicago, Illinois 60646

TO OUR SHAREOWNERS:

December 9, 1966

During fiscal year of 1966—our 65th year in business—sales, profits, and dividends continued to reach new highs. For the twelve months ending September 30th, sales were \$487,185,655, representing an increase of 12.6% over the same period a year ago.

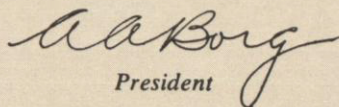
Net earnings rose to \$10,102,678 or \$3.26 per share, compared with \$8,015,007 or \$2.59 per share, an increase of 26%. At its last meeting your Board of Directors raised dividends for the fourth consecutive year. Beginning with the current December payment, the quarterly rate will be increased from 32½¢ to 35¢ per share.

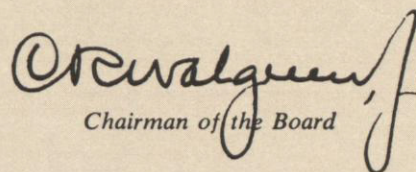
As of September 30th we were operating 511 stores, consisting of 494 drug stores, 11 Globe self service department stores, and 6 Danburg junior department stores. Our ex-

pansion program during the past fiscal year has been our heaviest—with the opening of 37 new drug stores (9 of which are replacements) and 3 Globe self service department stores. Twenty-two outdated stores, including those replaced, were closed. Our expansion for the current fiscal year will continue at about the same pace. Currently we are in the process of acquiring Pay Less Drug Stores, Inc. which operates five stores in New Mexico.

The fine results of the past year are due to the dedicated efforts and enthusiastic cooperation of the folks in every division of our company.

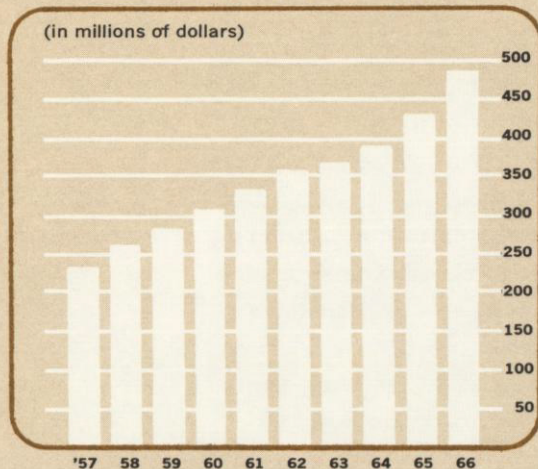
Despite the trend of increasing costs, we will continue giving our customers outstanding values—and through increased sales, we expect to have another successful year.


President

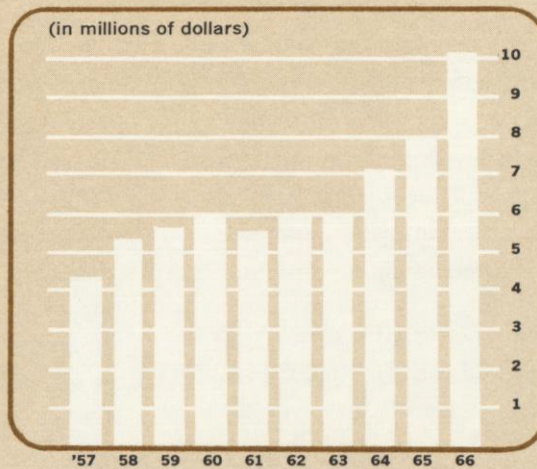

Chairman of the Board

10 YEAR PROGRESS REVIEW

SALES and other store income



NET EARNINGS



YEAR ended Sept. 30	NET SALES and other store income	NET EARNINGS	CASH DIVIDENDS PAID	RETAINED EARNINGS	DEPRECIATION & AMORTIZATION	PER SHARE		
						EARNINGS (2)	DIVIDENDS PAID (3)	BOOK VALUE (2)
IN THOUSANDS OF DOLLARS						IN DOLLARS		
1966	\$487,186	\$10,103	\$4,023	\$6,080	\$3,709	\$3.26	\$1.30	\$23.07
1965	432,511	8,015	3,707	4,308	3,337	2.59	1.20	21.11
1964	391,326	7,127	3,083	4,044	3,136	2.31	1.00	19.71
1963	366,748	6,028	2,451	3,577	2,973	1.96	.80	18.42
1962	353,144	5,978	2,573 ⁽¹⁾	3,405	2,742	1.96	.80 ⁽¹⁾	17.31
1961	331,666	5,594	2,519 ⁽¹⁾	3,075	2,471	1.90	.80 ⁽¹⁾	16.53
1960	312,365	6,011	2,416 ⁽¹⁾	3,595	2,251	2.06	.80 ⁽¹⁾	15.51
1959	285,079	5,772	2,284 ⁽¹⁾	3,488	2,087	1.99	.80 ⁽¹⁾	14.28
1958	259,898	5,313	2,456	2,857	1,929	1.85	.95	13.08
1957	235,111	4,305	2,391	1,914	1,780	1.50	.925	12.08

(1) Plus payment of 3% stock dividend.

(2) Based on common shares outstanding at year-end, adjusted for effect of two-for-one stock split in 1963 and 3% stock dividends paid in 1962, 1961, 1960 and 1959.

(3) Adjusted for two-for-one stock split in 1963.

CONSOLIDATED STATEMENTS —For the Years Ended September 30, 1966 and 1965

EARNINGS

	<u>1966</u>	<u>1965</u>
NET SALES AND OTHER STORE INCOME	\$487,185,655	\$432,510,980
COSTS AND DEDUCTIONS:		
Cost of sales.....	352,136,863	312,933,427
Selling, occupancy and administration.....	115,535,393	104,216,745
Contribution to Employees' Profit-Sharing Retirement Trust.....	2,090,721	1,645,801
Federal and state income taxes.....	7,320,000	5,700,000
	<u>477,082,977</u>	<u>424,495,973</u>
NET EARNINGS	\$ 10,102,678	\$ 8,015,007

RETAINED EARNINGS

BALANCE , beginning of year.....	\$ 42,313,543	\$ 38,005,650
Net earnings.....	10,102,678	8,015,007
Cash dividends (\$1.30 per share in 1966 and \$1.20 in 1965).....	(4,022,862)	(3,707,114)
BALANCE , end of year.....	\$ 48,393,359	\$ 42,313,543

SOURCE AND APPLICATION OF FUNDS

SOURCE OF FUNDS:

Net earnings.....	\$ 10,102,678	\$ 8,015,007
Depreciation and amortization.....	3,709,072	3,336,575
Increase in deferred Federal income taxes.....	580,000	500,000
Increase in long-term debt.....	—	10,401,019
Proceeds from stock options exercised.....	98,846	129,878
	<u>\$ 14,490,596</u>	<u>\$ 22,382,479</u>

APPLICATION OF FUNDS:

Net additions to property and equipment.....	\$ 10,920,059	\$ 6,564,760
Cash dividends.....	4,022,862	3,707,114
Decrease in long-term debt.....	1,071,580	—
Additional investment in affiliated and other companies.....	51,450	107,612
Increase (decrease) in working capital.....	(1,575,355)	12,002,993
	<u>\$ 14,490,596</u>	<u>\$ 22,382,479</u>

The accompanying notes to consolidated financial statements are an integral part of the above statements.

CONSOLIDATED BALANCE SHEET

ASSETS

	<u>September 30 1966</u>	<u>September 30 1965</u>
CURRENT ASSETS:		
Cash.....	\$ 5,419,370	\$ 6,424,538
Marketable securities, at cost, which approximates market.....	4,805,893	9,586,629
Accounts receivable, less reserves.....	6,680,354	6,560,699
Inventories, at the lower of cost or market, less reserves.....	73,817,355	63,562,358
Prepaid rent, insurance, taxes, etc.....	1,440,138	1,577,479
TOTAL CURRENT ASSETS	<u>92,163,110</u>	<u>87,711,703</u>
INVESTMENTS IN AFFILIATED AND OTHER COMPANIES, at cost (equity in underlying book values or market value \$6,956,000 in 1966 and \$7,290,000 in 1965).....	<u>2,595,676</u>	<u>2,544,226</u>
PROPERTY AND EQUIPMENT, at cost:		
Land.....	2,693,789	2,043,764
Buildings including improvements to leased properties.....	10,473,621	7,752,985
Equipment.....	49,866,713	43,989,147
	<u>63,034,123</u>	<u>53,785,896</u>
Less—Reserves for depreciation and amortization.....	23,605,489	21,568,249
NET PROPERTY AND EQUIPMENT	<u>39,428,634</u>	<u>32,217,647</u>
GOODWILL, at nominal value	<u>1</u>	<u>1</u>
	<u>\$134,187,421</u>	<u>\$122,473,577</u>

LIABILITIES

	<u>September 30 1966</u>	<u>September 30 1965</u>
CURRENT LIABILITIES:		
Trade accounts payable.....	\$ 19,206,944	\$ 15,397,162
Accrued expenses and other liabilities.....	12,001,234	11,753,727
Federal and state income taxes.....	5,195,017	4,237,512
Current maturities of long-term debt.....	1,071,580	1,059,612
Note payable.....	1,000,000	—
TOTAL CURRENT LIABILITIES.....	<u>38,474,775</u>	<u>32,448,013</u>
LONG-TERM DEBT, less current maturities shown above (Note 1):		
Notes payable to banks.....	15,750,000	16,625,000
Mortgages payable.....	6,175,548	6,372,128
TOTAL LONG-TERM DEBT.....	<u>21,925,548</u>	<u>22,997,128</u>
DEFERRED FEDERAL INCOME TAXES		
(arising from accelerated depreciation).....	<u>2,370,000</u>	<u>1,790,000</u>
SHAREOWNERS' EQUITY:		
Common stock, \$5 par value, authorized 5,000,000 shares; issued and outstanding 3,095,684 in 1966 and 3,091,120 in 1965, at stated value (Note 2).....	23,023,739	22,924,893
Retained earnings (Note 1).....	48,393,359	42,313,543
TOTAL SHAREOWNERS' EQUITY.....	<u>71,417,098</u>	<u>65,238,436</u>
	<u>\$134,187,421</u>	<u>\$122,473,577</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. LONG-TERM DEBT: The 4¾% notes payable to banks are due in annual principal installments of \$875,000 through 1974 and \$9,625,000 in 1975. Under the terms of the loan agreement, (a) \$22,036,244 of consolidated retained earnings at September 30, 1966, is not available for payment of cash dividends, or for repurchase of the company's stock, and (b) consolidated net current assets must be at least \$25,000,000. Consolidated net current assets, as defined, are \$57,141,182 at September 30, 1966.

At September 30, 1966, the company had mortgages payable on certain store and warehouse properties at interest rates ranging from 4¾% to 5½%. These mortgages provide for monthly payments of principal and interest and become fully paid during the years 1982 to 1989. The annual payments for each of the next five years amount to \$514,484.

2. STOCK OPTIONS: In 1957, the shareowners approved a restricted stock option plan for key employees, including officers. At September 30, 1966, 5,016 shares are reserved for options which have been granted at prices ranging from \$19.52 to \$25.50. These options are exercisable beginning one year from the date of grant over a period not exceeding five years and in reduced amounts thereafter through 1967. During 1966, 1,807 shares became exercisable and 4,564 shares were exercised.

3. LEASE OBLIGATIONS: At September 30, 1966, the company and its subsidiaries had 442 leases expiring more than three years after that date (some of which contain percentage rental clauses) with minimum annual rentals of approximately \$9,510,000.

AUDITORS' REPORT

ARTHUR ANDERSEN & CO.

CHICAGO, ILLINOIS

To the Board of Directors and
Shareowners, WALGREEN CO.:

We have examined the consolidated balance sheet of WALGREEN CO. (an Illinois corporation) AND SUBSIDIARIES as of September 30, 1966, and the related consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have previously examined and reported on the financial statements for the preceding year.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of earnings, retained earnings and source and application of funds present fairly the financial position of Walgreen Co. and Subsidiaries as of September 30, 1966, and the results of their operations and the sources and application of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Chicago, Illinois,
November 8, 1966.

Arthur Andersen & Co.

GROWTH is a Walgreen Trademark

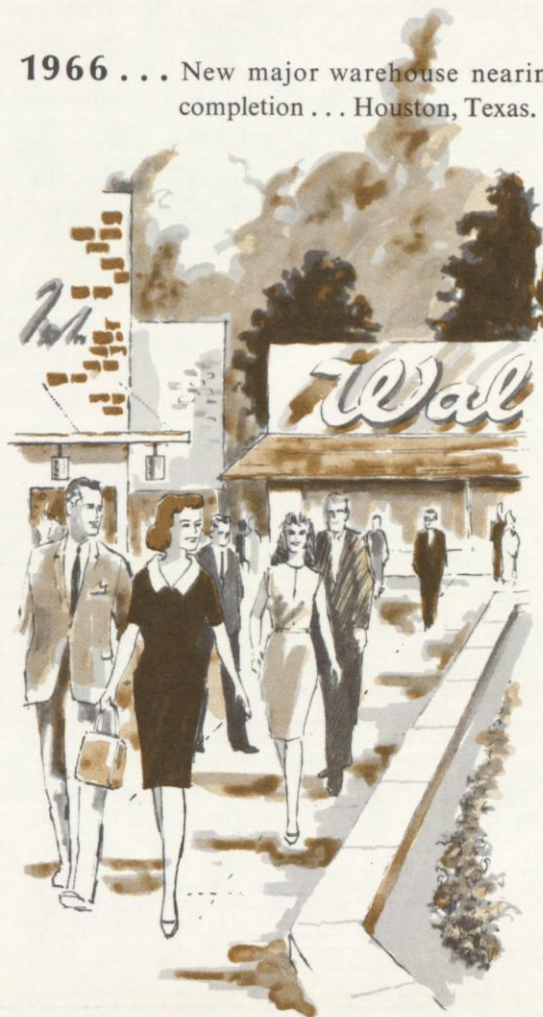
1966 . . . Store-count grows from 493 to 511
. . . in 233 cities, 35 states.

1966 . . . Annual sales volume rapidly ap-
proaches half-billion mark.

1966 . . . Earnings reach new record high.

1966 . . . Annual prescription growth rate
continues strong.

1966 . . . New major warehouse nearing
completion . . . Houston, Texas.





GROWTH is a Walgreen

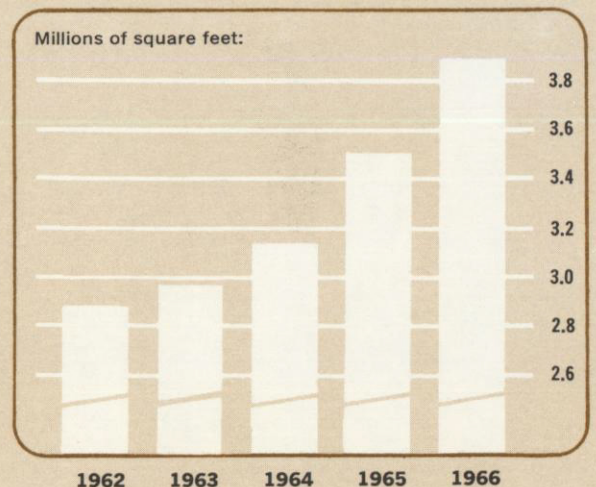
WE REACH 511-STORE MARK AS 37 NEW WALGREEN DRUG STORES AND 3 NEW GLOBES OPEN IN 1966

A Walgreen sign-raising—familiar scene—symbolizes the constant expansion that keeps giving us fresh strength, generating new business today, new potential for tomorrow.

Our Globe department store division, too, continues to make great strides.

The charts on this page clearly show our consistent upsurge in physical size and sales volume. And in our professional sphere—Pharmacy—steady gains are underscoring our reputation as *No. 1 Pharmacist to the Nation*.

5-Year Chart of Growth in
NET SELLING SPACE



Trademark



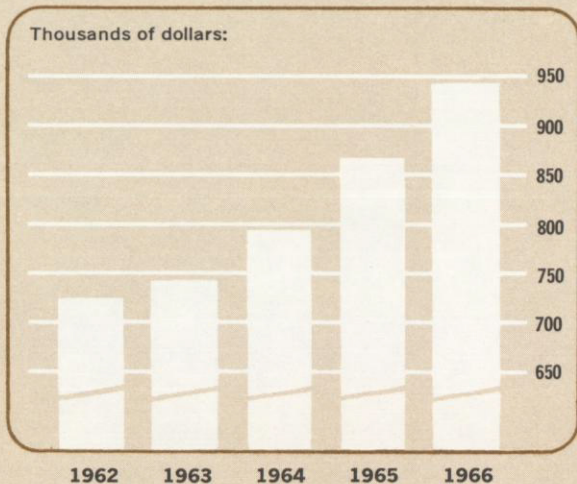
- *AKRON, Ohio, 186 S. Main
- *ARABI, La., 7511 St. Bernard
- ARVADA (Denver), Colo., 9661 W. 58th Ave.
- AURORA (Denver), Colo., Aurora Shopping Plaza
- BELOIT, Wisc., Beloit Plaza Shopping Center
- BILOXI, Miss., Edgewater Plaza Shopping Center
- *CHICAGO, Ill., 111th & Michigan Ave.
- *CHICAGO, Ill., 63rd & South Park
- *DANVILLE, Ill., 56 N. Vermilion
- COLORADO SPRINGS, Colo., 2727 Palmer Park
- DENVER, Colo., Villa Italia Shopping Center
- *DENVER, Colo., 235 16th
- EL PASO, Tex., 8181 Dyer St.
- EL PASO, Tex., 200 N. Mesa
- EL PASO, Tex., 6375 Montana (GLOBE)
- FORT DODGE, Iowa, Crossroads Shopping Center
- FT. MYERS, Fla., Edison Mall Shopping Center
- HARVEY, Ill., Dixie Square Shopping Center
- HOUSTON, Tex., Memorial City Shopping Plaza
- HUNTSVILLE, Ala., Madison Mall Shopping Center

- LITTLETON (Denver), Colo., 106 Littleton Blvd.
- LUBBOCK, Tex., 3201 Avenue Q (GLOBE)
- MEMPHIS, Tenn., Raleigh Plaza Shopping Center
- MEMPHIS (Whitehaven), Tenn., Southland Mall S.C.
- MIAMI, Fla., Red Bird Shopping Center
- MILWAUKEE, Wisc., 4017 Teutonia
- MILWAUKEE, Wisc., 107 Wilbur Ave.
- *MUNCIE, Ind., 306 Walnut
- *PORT ARTHUR, Tex., 435 Proctor
- *SALT LAKE CITY, Utah, 3 W. S. Temple
- SAN ANTONIO, Tex., 616 S.W. Military Drive
- SAN FRANCISCO, Calif., 2656 Mission
- SHREVEPORT, La., Westwood Shopping Center
- ST. ANN (St. Louis), Mo., Northwest Plaza S.C.
- ST. CLOUD, Minn., Crossroads Shopping Center
- ST. MATTHEWS (Louisville), Ky., Shelbyville Rd. S.C.
- TUCSON, Ariz., 5255 E. Broadway (GLOBE)
- VICKSBURG, Miss., Battlefield Village S.C.
- WAUKEGAN, Ill., Belvidere Mall Shopping Center
- WAUSAU, Wisc., 505 Third St.

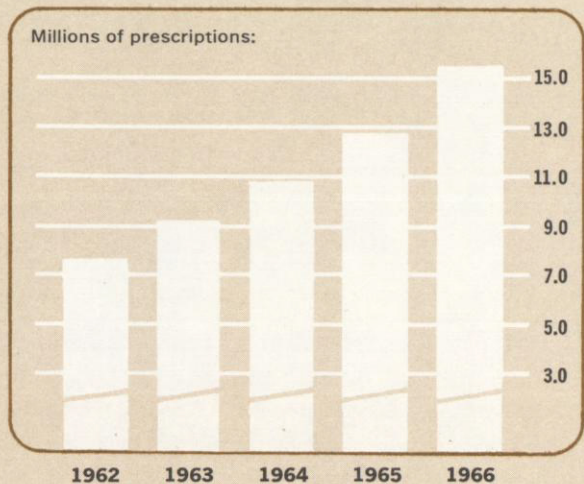
*(Asterisked stores replaced units in same or nearby locations)

... additionally, a number of stores were modernized, and 9 more converted to self-service.

5-Year Chart of Growth in
AVERAGE VOLUME PER STORE



5-Year Chart of Growth in
PRESCRIPTIONS FILLED



GROWTH is a Walgreen Trademark



OPEN INVITATION TO SHOP WALGREENS... In enclosed-mall store (Waukegan, Ill.) glass doors slide wide open to attract shoppers with panoramic view of big, bright interior. Grill Room restaurant is at far left.

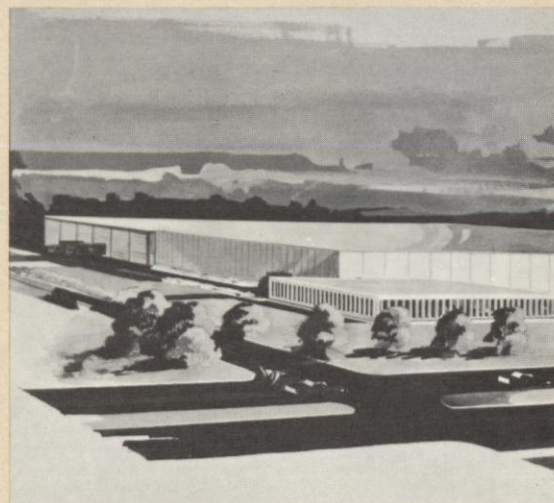
Sales Growth Generates Warehousing Expansion

NEW 275,250 SQ. FT. DEPOT IN HOUSTON SOON TO JOIN OUR PHYSICAL DISTRIBUTION SYSTEM

Our nationwide warehousing network—providing the advantages of fast, economical merchandise delivery to our stores—helps generate better earnings for our Company, better values for our customers.

This new Houston unit, designed to facilitate distribution in our fast-expanding south and southwest markets, is well-planned to further these advantages.

Strategically located and engineered for efficiency, it will be highly mechanized and equipped with the latest electronic data processing inventory control system.

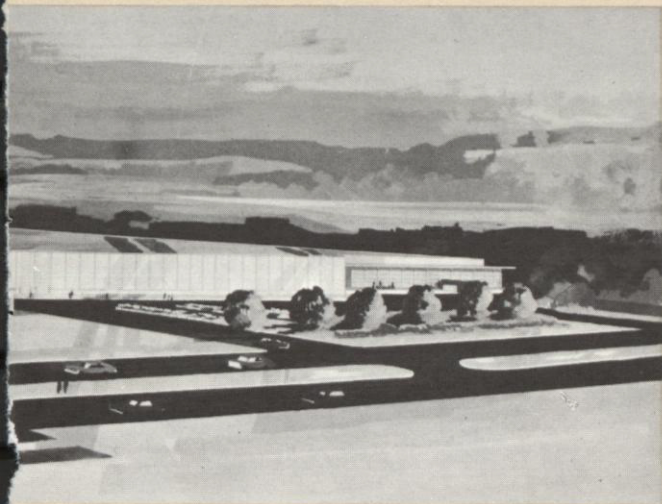


GLOBE Enters Three New Markets



EL PASO, LUBBOCK, TUCSON are latest Globe cities. Tucson photo above reveals massive merchandising interior with 70 departments, from drugs to appliances to clothing to food. 1000-car parking area has tire and auto-service center.

in South



Architect's sketch of new Walgreen warehouse, Houston, Tex.



CURRENT DIRECTORY OF WALGREEN DRUG

ALABAMA (2)

Huntsville
Mobile

ARIZONA (9)

Phoenix (6)
Tucson (3)

ARKANSAS (5)

Hot Springs
Little Rock (2)
Pine Bluff
West Memphis

CALIFORNIA (16)

Alameda
Daly City
Hayward (2)
Millbrae
Mountain View
Oakland
Palo Alto
Sacramento (2)
San Francisco (5)
San Mateo

COLORADO (19)

Arvada
Aurora
Boulder
Colorado Springs (2)
Denver (8)
Englewood
Fort Collins (2)
Lakewood
Littleton (2)

CONNECTICUT (2)

Bridgeport
New Britain

FLORIDA (35)

Bradenton
Clearwater
Daytona Beach
Fort Lauderdale (2)
Ft. Myers
Hialeah
Hollywood (2)
Jacksonville (4)
Lakeland
Miami (6)
N. Miami Beach
Orlando (3)
Panama City
Pensacola

Riviera Beach
St. Petersburg
Sarasota
Tallahassee
Tampa (2)
West Palm Beach (2)
Winter Park

GEORGIA (10)

Atlanta (6)
Columbus (2)
Sandy Springs
Savannah

ILLINOIS (143)

Arlington Heights
Aurora
Berwyn
Bloomington
Blue Island
Bridgeview
Champaign
CHICAGO (79)
Chicago Heights
Cicero
Crest Hill
Danville
Decatur (2)
Deerfield
Des Plaines (2)
Downers Grove
East St. Louis
Elgin
Elk Grove Village
Elmhurst
Elmwood Park
Evanston
Evergreen Park
Galesburg
Glen Ellyn
Harvey (2)
Highland Park
Joliet
Kankakee (2)
La Grange
Lake Forest
Markham
Melrose Park
Moline (2)
Morton Grove
Mount Prospect
Niles (2)
Norridge
Northbrook
Oak Brook
Oak Lawn
Oak Park
Park Ridge (2)
Peoria (2)
Quincy
Rockford (2)
Rock Island
Schaumburg
Skokie
Springfield
Sterling
Villa Park
Waukegan (3)
Western Springs

INDIANA (17)

Anderson
East Chicago (2)
Fort Wayne (4)
Gary (4)
Hammond (2)
Logansport
Michigan City
Muncie
New Albany

IOWA (9)

Bettendorf
Clinton
Council Bluffs
Davenport
Des Moines (2)
Fort Dodge
Sioux City
Waterloo

KANSAS (2)

Topeka (2)

KENTUCKY (17)

Covington
Lexington
Louisville (10)
Newport
Owensboro
Paducah
Pleasure Ridge Park
St. Matthews

LOUISIANA (22)

Alexandria (2)
Arabi
Baton Rouge (2)
Lake Charles (2)
Metairie (2)
Monroe (2)
New Orleans (8)
Shreveport (3)

MASSACHUSETTS (2)

Springfield
Worcester

MICHIGAN (6)

Battle Creek
Flint (2)
Kalamazoo
Lansing
Muskegon

MINNESOTA (14)

Bloomington
Duluth (2)
Edina
Minneapolis (4)
Richfield
St. Cloud
St. Louis Park
St. Paul (3)

MISSISSIPPI (4)

Biloxi
Jackson
Vicksburg (2)

MISSOURI (13)

Crestwood
Jennings (3)
Northwoods
Richmond Heights
St. Ann
St. Louis (6)

NEBRASKA (6)

Lincoln (2)
Omaha (4)

NEW JERSEY (4)

East Paterson
Menlo Park
Paramus
Willingboro

NEW MEXICO (2)

Albuquerque (2)

NEW YORK (14)

Albany
BayShore
DeWitt
Hempstead
Kingston
Levittown
Massapequa Park
New Hyde Park
New York (3)
Syracuse
Valley Stream
Yonkers

N. CAROLINA (4)

Greensboro
Raleigh
Wilmington
Winston-Salem

Walgreens - THE NATION'S NAME FOR DRUG STORES



DISTRIBUTION

- 1** SOUTHERN
\$183,373,264 : 37.6%
- 2** MIDWEST
(Chicago excluded)
\$128,470,745 : 26.4%
- 3** CHICAGO, ILL.
\$74,377,037 : 15.3%

Walgreen Co.

Directors

A. A. BORG	C. W. MULANEY
SANFORD J. BOWYER	S. S. RAAB
C. R. CAMPBELL	R. L. SCHMITT
C. E. LA FRAMENTA	C. R. WALGREEN, III

C. R. WALGREEN, JR.

Officers

C. R. WALGREEN, JR.
CHAIRMAN OF THE BOARD

A. A. BORG PRESIDENT	W. L. ALSTRIN CONTROLLER
C. R. CAMPBELL VICE PRESIDENT, TREASURER	T. J. BARTON SECRETARY
M. R. KEPHART VICE PRESIDENT	H. W. BECKER GENERAL AUDITOR
C. E. LA FRAMENTA VICE PRESIDENT	W. K. MISKE ASSISTANT SECRETARY
C. W. MULANEY VICE PRESIDENT	E. J. ROUBIK ASSISTANT TREASURER
S. S. RAAB VICE PRESIDENT	N. P. STARSHAK ASSISTANT SECRETARY
R. L. SCHMITT VICE PRESIDENT	A. W. TRAUTMAN ASSISTANT CONTROLLER, ASSISTANT SECRETARY

Transfer Agents:

THE FIRST NATIONAL BANK OF CHICAGO
MORGAN GUARANTY TRUST COMPANY, NEW YORK

Registrars:

HARRIS TRUST AND SAVINGS BANK, CHICAGO
FIRST NATIONAL CITY BANK, NEW YORK

walgreens

757



STORES*

*As of Dec. 9, 1966

OHIO (11)

Akron
Cincinnati (6)
Columbus (2)
Springfield
Toledo

OKLAHOMA (3)

Tulsa (3)

S. CAROLINA (5)

Charleston
Columbia (2)
Greenville (2)

S. DAKOTA (2)

Aberdeen
Sioux Falls

TENNESSEE (21)

Knoxville
Madison
Memphis (14)
Nashville (4)
Oak Ridge

TEXAS (46)

Abilene (2)
Austin (2)
Beaumont (2)
Corpus Christi (2)
Dallas (3)
El Paso (3)
Galveston
Houston (18)
Lubbock
Pasadena
Port Arthur (2)
San Antonio (5)
University Park
Waco (2)
Wichita Falls

UTAH (3)

Salt Lake City (3)

VIRGINIA (1)

The Pentagon

W. VIRGINIA (1)

Wheeling

WISCONSIN (27)

Appleton
Beloit (2)
Cudahy
Eau Claire
Glendale
Kenosha
Menasha
Milwaukee (14)
Racine
Sheboygan
Wausau
Wauwatosa
West Allis

WYOMING (2)

Casper
Cheyenne

* * *

PUERTO RICO (3)

Bayamon
Guaynabo
San Juan (Rio Piedras)

* * *

GLOBE-Danburg (19)

Albuquerque, N. Mex. (Globe)
Baton Rouge, La. (Globe)
El Paso, Tex. (Globe)
Houston, Tex. (4 Globe, 4 Danburg)
Jacinto City, Tex. (Danburg)
Lubbock, Tex. (Globe)
McAllen, Tex. (Globe)
Pasadena, Tex. (Globe)
Phoenix, Ariz. (2 Globe)
Tucson, Ariz. (Globe)
Victoria, Tex. (Danburg)

* * *

Sanborns

MEXICO (8)

Acapulco
Mexico City (6)
Monterrey

Welcome to Walgreens, wherever you are!

Over 500 Walgreen Drug Stores, serving key communities across the nation, bring *better health, better living, better value* to over a million customers a day.

In addition, some 1,900 independently-owned *Walgreen Agency* drug stores carry our name and our Walgreen-manufactured products into many areas not directly served by our own stores.

Our *Globe* department store division further diversifies our area of operation, and our affiliate in Mexico, the celebrated *Sanborns*, brings international scope to our retailing activities.

From Massachusetts to Mexico and from California to Puerto Rico, we warmly invite you to visit these fine stores whose ownership you share. It's to your advantage both as a Walgreen shareholder and as a discerning shopper.

OF SALES

4

WESTERN
\$69,199,629 : 14.2%

5

EASTERN
\$31,764,980 : 6.5%

